

OPERATIONAL EXCELLENCE THROUGH HISTORY



Chief Customer Officer Forum

Operational Excellence



Welcome from the CCO Forum Committee

On behalf of the member committee and LimeBridge Australia, we would like to welcome you to the 17th meeting of the Chief Customer Officer Forum. The theme for the day is “Operational Excellence”. We looked for operations that were proving effective, while keeping in mind that the mix of channels that customers were expecting to use was changing. As a result, today you will find a number of topics focused on handling things in very different ways.

We are delighted to present you with a mix of internal and external speakers. Some of them have walked in your shoes and can discuss their experience. Other sessions may focus more on a new idea that you will have to evaluate for your business. We have brought a diverse range of businesses to the table, as we look to challenge those of us in more traditional businesses to think about how we can apply radically different ideas.

Our external guests are:

- Megan Quinn who will tell us about Net-A-Porter and is our special guest all day;
- Karen Stocks from Google who will look at the power of video as a mechanism;
- Michael Clark from the Fair Work Ombudsman who will share his multichannel experience; and,
- Scott Robson from HP will take us through Bank Of Queensland’s end to end process change.

Three members have kindly agreed to share their experiences:

- Peter Walker will take us through changes in the operating model at the ATO;
- Angela Tsoukatos (Sydney Water) will share lessons from a technology driven change; and,
- Anthony Sinclair (AGL) will share experiences in blending work.

Megan Quinn will also kick off the day on a more strategic topic. She’ll challenge us to think on whether we are changing our businesses quickly enough, given the dynamic global environment. We’ll finish the day with our CEO perspective. Guy Russo is one of Australia’s most experienced CEO’s and he’ll share the amazing turnaround of Kmart.

There are a number of new members to welcome to the group. Gerry O’Shaughnessy of A&G Insurance Services and both Anna Itsiopoulos (MLC) and Matt Paterson (CGU) have re-joined the group. We’ll share some other updates at the start of the day.

So please join us in welcoming these new and returned members and we look forward to some interesting discussions over the day. For those of you that are new to our group, we really look forward to hearing from you in our discussions.

We hope you find today both valuable and enjoyable.

Dayle, Michelle, Andrew, Tracey and David



Agenda

Tuesday 23rd October 2012

7:00pm – 11.00pm Grossi Florentino, 80 Bourke Street, Melbourne

Wednesday 24th October 2012

RACV Club
Level 2, Bourke Rooms
501 Bourke Street, Melbourne

- 8:00am Registration and Coffee
- 8:30am Welcome and Introductions
- 8:45am Opening Keynote: Megan Quinn
- 10.00am Break Out Session 1
- 11:15am Morning Coffee
- 11:45am Break Out Session 2
- 1.00pm Lunch
- 2:00pm Break Out Session 3
- 3:15 pm Afternoon Tea
- 3:30pm CEO Perspective: Guy Russo
- 4:30pm What did we learn and what next for the CCO Forum?
Closing questions and wrap up
- 5:00pm Meeting Close





Editorial – Operational Excellence

One of the oldest debates in business is strategy vs. operational delivery; which is more important? Well, of course a poor strategy can undermine a business; ask Gunns Limited or Ansett. But a good strategy delivered poorly will fail every time - Vodafone's network fell apart, but the strategy of a merger with 3 wasn't wrong necessarily. We see lots of significant operational failures such as utilities with high volumes of unbilled customers, system failures flooding call centres or key channels that are undermanned. Clearly, significant operational failure can undermine any business model or strategic intent.

Unfortunately, achieving Operational Excellence is a never ending game. Channels change, regulations are added, products change, so we never stop having to do this stuff. However, what we have noticed is that the principles of Operational Excellence remain the same. We believe that's because customer and business needs are consistent. Customers want low effort, high resolution - *"make it easy for me"*, and *"get it to me fast"*. Have those things ever changed? Equally, business needs for efficiency and effectiveness don't change much either. Every CEO always wants a cheaper, higher quality and low risk operation!

Those underlying business and customer drivers create a consistent set of principles for Operational Excellence. They include things like minimising rework, minimising hand-offs, making it faster, and having people do what they are good at. That also means we have to control the work, define a good process, stick to it, get feedback on problems and errors, and use it. Those are the principles we find you can apply time and time again, regardless of process, industry or channel.

Operational Excellence also takes many different forms across industries and within business; manufacturing, media, mining and meter reading would all have a different definition of Operational Excellence. What we find interesting is that there have been many attempts to transfer methodologies between industries. So Six Sigma and Lean came out of manufacturing with many companies now trying to apply them to people-based industries. It is one thing to get a production line to conform to Six Sigma principles, but another thing altogether to turn a branch network into a production line; and who wants that anyway? Equally, we find Lean and Six Sigma are great for a single process. Unfortunately, many of the operations CCO Forum members run have tens or hundreds of processes. So, unless we want to tackle things sequentially, those methods may not produce the scale of change we are looking for.

We often find a bigger bang is needed. So we suggest that a "make over" of all processes, structures, measures and management in one go really does add enormous value. Six Sigma and Lean may help with one process, but take too long to tackle thirty. Hence, we came up with our PRISM methodology to try and get an exponential change in operations



rather than incremental change. Of course, as Einstein may have said, “*it all depends on where you are starting from as to what you need*”. If all else fails, we can apply some Irish wisdom: **Q:** “*How do I get to operational excellence?*” **A:** “*Well I wouldn’t start from here...*”

David Jaffe, Graham Howard and Peter Morrison
LimeBridge Australia

Opening Keynote

Megan Quinn: Why Australian Businesses Need To Change Their Perspective

Megan Quinn was a co-founder of internet retailing success story Net-A-Porter.com. In this key note she will challenge the CCO Forum group to rethink their strategies before it is too late. She will ask us to consider the threat and opportunity of the internet. The threat of waiting for new and overseas entrants to find a compelling proposition for some of your most valued customers and the opportunity to do that to your competitors or reach new markets overseas. She’ll also discuss how you can engage customers in new channels. This should be a fascinating session to make us re-think our customer propositions.



Breakout Sessions

The Innovative Approaches of Net-A-Porter

This discussion will elaborate on topics discussed during the keynote, such as: exceeding the expectations of the market and the customer; creating a unique engagement with the customer; discovering different customer segments and how we handled them: why men didn’t get the business concept (and the importance of finding compatible investors and partners); and how to create a global presence.

Creating Effective Blended Work Environments for Multichannel Service Delivery at AGL

Like many organisations, AGL had increasing rates of email contact and needed ways to blend email handling with calls. In this case Anthony Sinclair will describe the different organisation and management mechanisms that AGL put in place to manage the demands of two different interaction types with different service levels. The discussion will also cover how revised practices presented the customer with more effective channel choices rather than restricting them to one channel. The results have been more effective service levels in all channels.





The Reality of Multichannel Delivery at The Fair Work Ombudsman

The Fair Work Ombudsman service recognised that multichannel service delivery met both a customer need and offered an opportunity for cost effective service delivery. In this case study Michael Clark will describe how they are using each channel and moving customers across the channels. He'll also cover the processes they developed to ensure cross channel consistency and cover what has worked and what hasn't.

Using Video to Transform Customer Relationships

Through its ownership of new channels such as YouTube, Google understands how social media is changing customer expectations for interactions. Karen Stocks will explore the nature of this new ecosystem and what it means for businesses of all types. She'll share case examples of organisations using video for sales and customer self-help. The discussion will assess the costs and barriers to use of this channel and explore lessons from both success and failure. Participants should leave this session with insights on how to make this an effective channel in their organisation.



Creating an Integrated Service Delivery Model at the Australian Tax Office

The ATO has significant challenges in the seasonality of work. Peter Walker led the program to transform service delivery at the ATO to create a more flexible model to respond to this seasonality. In this case study he'll describe the challenges in breaking down integrated silos and embracing self service delivery. He'll discuss how they standardised work and used knowledge tools to enable new job structures. The new model also included use of outsourcers and active support of the ATO's multichannel delivery.

Lessons in Driving Improvement from Technology Investments at Sydney Water (with contrasts to South East Water)

Sydney Water embarked on a technology project to give them greater customer focus and a better view of the customer relationship (and South East Water had a similar strategy). Sydney Water had a successful project but believe there is much to be learnt from the experience. In this case study Angela Tsoukatos will describe the lessons they learnt at Sydney Water while Julia Oxley will comment on the contrasts with the South East Water approach. This case will describe approaches to business case management, working with third parties and cloud vs. non cloud based software solutions.

Using Moments of Truth Analysis to Improve End to End Processes at Bank Of Queensland

In this case study, Scott Robson of HP will describe how Bank Of Queensland worked to rethink and rework complex but mission critical



processes in lending. These processes spanned front and back office and were critical to customers. They used Virgin's "Moments of Truth" methodology to redesign and streamline processes between customer and back office and then applied innovative technology to keep customers informed. This case will describe re-engineering and streamlining of many end to end processes and smart use of new technologies.

Closing Session - CEO's Perspective

Guy Russo – Kmart turnaround

Guy Russo, who was appointed Managing Director of Kmart in 2008, will wrap up the day and will describe the Kmart turnaround. Prior to Kmart, Guy was Managing Director and Chief Executive Officer of McDonald's Australia between 1999 and 2005, and President of McDonald's Greater China region between 2005 and 2007.

Guest Speaker Biographies

Megan Quinn – Net-A-Porter

For the past 25 years, Megan Quinn has built a career specialising at the luxury end of retailing, advertising, publishing and design for the fashion, jewellery, hotel and airline industries. She has held a variety of leadership and senior executive as well as executive board roles, utilising her strong commercial capabilities and deep expertise in brand and service offer development.

Her secondment to London in 1988 with the Mojo advertising agency marked the beginning of 18 years of involvement with prestigious clients such as QANTAS, the Australian Tourist Commission, Asprey, Garrard and Patek Philippe and leading retailers such as Harrods, The Arcadia Group and BHS. Her years with Mojo and Chiat Day established her brand development and campaign design skills as well as a deep understanding and appreciation of the commercial requirements of her clients. More recently Megan was an Executive Board Member of both Harrods and Net-A-Porter.

One of Megan's notable achievements was her co-founding of the internationally acclaimed Net-A-Porter in 1999. Her role was to direct the brand development of the company which launched in June 2000. In her capacity as Creative Director, she designed the iconic packaging, directed the site design and editorial, and was a senior member of the buying team. In her role as HR Director, she hired, trained and managed all staff, with a particular emphasis on creating the unique levels of service for which Net-A-Porter is now internationally renowned. As a Board Director, she reported to the fellow directors of the company, and reviewed and discussed the strategic, marketing, operational and financial implications and consequences of the rapidly expanding global business.



Megan Quinn



Michael Clark

Michael Clark – Fair Work Ombudsman

Michael has worked in customer service leadership roles for over 15 years within the private and public sector. In that time he has held a variety of leadership roles within back-office and customer contact environments.

Michael has significant experience from his management and leadership of a number of transformational projects within private and public sector contact centres focussing on people, process and technology.

Michael has a passion for customer service, and his teams have won industry awards and accreditation, with the most recent an Honourable Mention in the Government Contact Centre Excellence Awards. Michael has presented at a number of industry conferences in recent years to share his experiences.

Michael is currently the Executive Director, Customer Contact at the Fair Work Ombudsman. Michael leads a multi-site operation assisting Australian businesses and their employees through around 200 customer service and technical staff responding to all front-office inbound and outbound customer contact, including phone-based resolution of workplace complaints.



Karen Stocks

Karen Stocks – Google

Karen Stocks heads up YouTube and the Products and Solutions teams in Australia and New Zealand where she works with the product and sales functions on solutions for Google's advertisers in the constantly changing digital world. Prior to this role, Karen was responsible for the YouTube and Display business down under. She joined Google as Head of Online Sales and Operations ANZ in 2007 from Vodafone, where she worked for twelve years, most recently as General Manager for Service Strategy and General Manager for Customer Service.

Karen is a CPA and MBA with a passion of bringing new technologies to enhance the customer experience.

Scott Robson – HP

Scott Robson is a Business Solutions Executive within HP Business Processing Outsourcing capability. Scott is responsible for bringing thought leadership and solutions to clients to help them achieve their strategic goals.

Scott has more than 20 years' experience in Banking, Finance and Wealth Management. Scott specializes in consulting within operations' transactional environments and call centre functions to improve their competitive position from the customer experience, cost and compliance perspectives.

Prior to his role with HP, Scott was the Process Transformation Manager for BT Financial Group. During his tenure, Scott designed the target solution adopted by the organisation for best shoring. Scott's experience in Lean Six Sigma also enabled him to lead a team of Six Sigma



Scott Robson



practitioners to drive value in customer experience, cost and compliance across the operational transaction environment and call centre.

Scott has a Bachelor of Arts Degree in Accountancy from the University of South Australia and is a Certified Practising Accountant (ASCPA).

Peter Walker – ATO

Peter is a specialist in a multiple-channel client service delivery, with over 20 years’ experience at the Executive Level in a wide range of Australian organisations.

With successful achievements in building and transforming large-scale service delivery environments in commercial and government (at all tiers), Peter has extensive experience in channel migration, channel optimisation, online, and self-service strategy; amongst many other improvement strategies related to client service.

Peter has worked as a Senior Executive for the largest telecommunications company in Australia (Telstra), and worked with a large variety of clients across commercial and government. For the past 4 years, Peter has been Assistant Commissioner, Customer Service & Solutions, within the Australian Taxation Office. Prior to this, he was an Executive Director for CCD Consulting Pty Ltd.

Angela Tsoukatos – Sydney Water (supported by Julia Oxley, South East Water)

Angela Tsoukatos is the General Manager of Customer and Community Relations at Sydney Water. Angela is also a member of the Sydney Water Executive. Angela leads the establishment and implementation of Sydney Water’s customer service strategies and communications strategies. Angela was appointed General Manager, Customer and Community Relations in April 2005. She was previously General Manager, Corporate Affairs.

Since joining Sydney Water in 1990, Angela has held roles in policy, standards of service, regulatory compliance and executive support. Prior to Sydney Water, she worked in the non-government sector and in local government as a caseworker, community worker and policy advisor. Angela has a Bachelor of Social Work, a Masters in Management (public sector management) and is a graduate member of the Australian Institute of Company Directors.

Anthony Sinclair

As Head of Customer Services Anthony is responsible for the delivery of outstanding customer experience through consistency in service delivery, and to focus on continuous improvement and growth opportunities.

This requires defining and monitoring key service level agreements to ensure a consistent service across the customer base. In addition Anthony is responsible for the Resource Capacity planning team that ensures adequate resourcing is in place in what is a dynamic and changing landscape.



Peter Walker



Angela Tsoukatos



Anthony Sinclair



Guy Russo

Anthony has 27 years of experience in the energy industry. Throughout his career Anthony has worked in a variety of roles that include both customer facing and back of house operations. In more recent times Anthony's focus has been on managing significant change whilst still delivering to key business objectives.

AGL Energy services 3.3 million across Victoria, SA, NSW and QLD.

Guy Russo – Kmart

Guy Russo was appointed Managing Director of Kmart in 2008. Formerly with the McDonald's Corporation, which he joined in 1974, Guy served as Managing Director and CEO of the Australian business and President of McDonald's Greater China. Based in Hong Kong in 2007/08, Guy consulted with private enterprises as well as public companies with commercial interests in China. Throughout his business career Guy has pursued a passion for life-saving children's charities. He served as Chairman of Ronald McDonald House Charities (RMHC) in Australia, board member of the charity in Hong Kong and ushered in the establishment of RMHC in China. He is President of Half the Sky Foundation, an international charity for the benefit of orphaned children in China. He has also served on the Business Council of Australia and the Board of Diabetes Australia.





LimeBridge

AUSTRALIA

Sydney

Level 57 MLC Centre
Martin Place
NSW 2000
Phone: +61 2 9238 6265

Perth

L18, Central Park
152-158 St Georges Terrace
Perth WA 6000
Phone: +61 8 6311 4699

Melbourne

27/ 101 Collins Street
Melbourne
VIC 3000
Phone: +61 3 9499 3550

Brisbane

Level 36, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000
Phone: +61 7 3121 3058

France

15, rue du 1er mai
F92752 NANTERRE
France
Phone: +33 1 47 86 17 17

United States

Bellevue
Washington
USA
Phone: +1 (206) 321 0841

India

49 Linden Street
Palmgrove Road
Victoria Layout
Bangalore 560 047
India
Phone + 91 (80) 5150 1654

Germany

Technologiepark 21,
33100 Paderborn,
Germany
Phone: +49 700 2372 6786

Hong Kong

12th Fl, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road
Central
Hong Kong
Phone + 852 2559 0904

Sweden

Gamla Brogatan 26
111 20 Stockholm
Sweden
Phone + 46 8 22 55 29

Japan

Suite 301,
3-2-7 Azabujuban,
Minatoku
Tokyo 106-0045 Japan
Phone: +81-3-5730-8530

United Kingdom

8 Percy Street,
London
W1T 1DJ
United Kingdom
Phone: +44 (0)870 010 6190

Singapore

11 Collyer Quay #10-04
The Arcade
Singapore 049317
Phone: +65 9456 1702



LimeBridge Australia Pty. Ltd. | **ABN** 47 129 778 641
E info@limebridge.com.au | **W** www.limebridge.com.au
CCO Forum Australia Pty. Ltd. | **ABN** 56 134 464 056